

# **Private-Sector Expansions: Introduction and Options for Further Consideration**

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- Problem
- Potential solutions
- What next for SPG



# Where Is the Problem?

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Of the 50-100,000 uninsured (adults):

- ~ 30% are employed full time
- ~ 25% are employed part time or self-employed
- ~ 22% are temporarily unemployed
- ~ 21% are longer-term unemployed

Implications:

- discontinuities in coverage and care
- private options mainly address workplace
- public programs mainly address others



# What Is the Problem?

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- Availability
- Affordability
- Continuity



# Approaches toward Solution

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## VOLUNTARY EXPANSIONS - carrots

### Make it easier

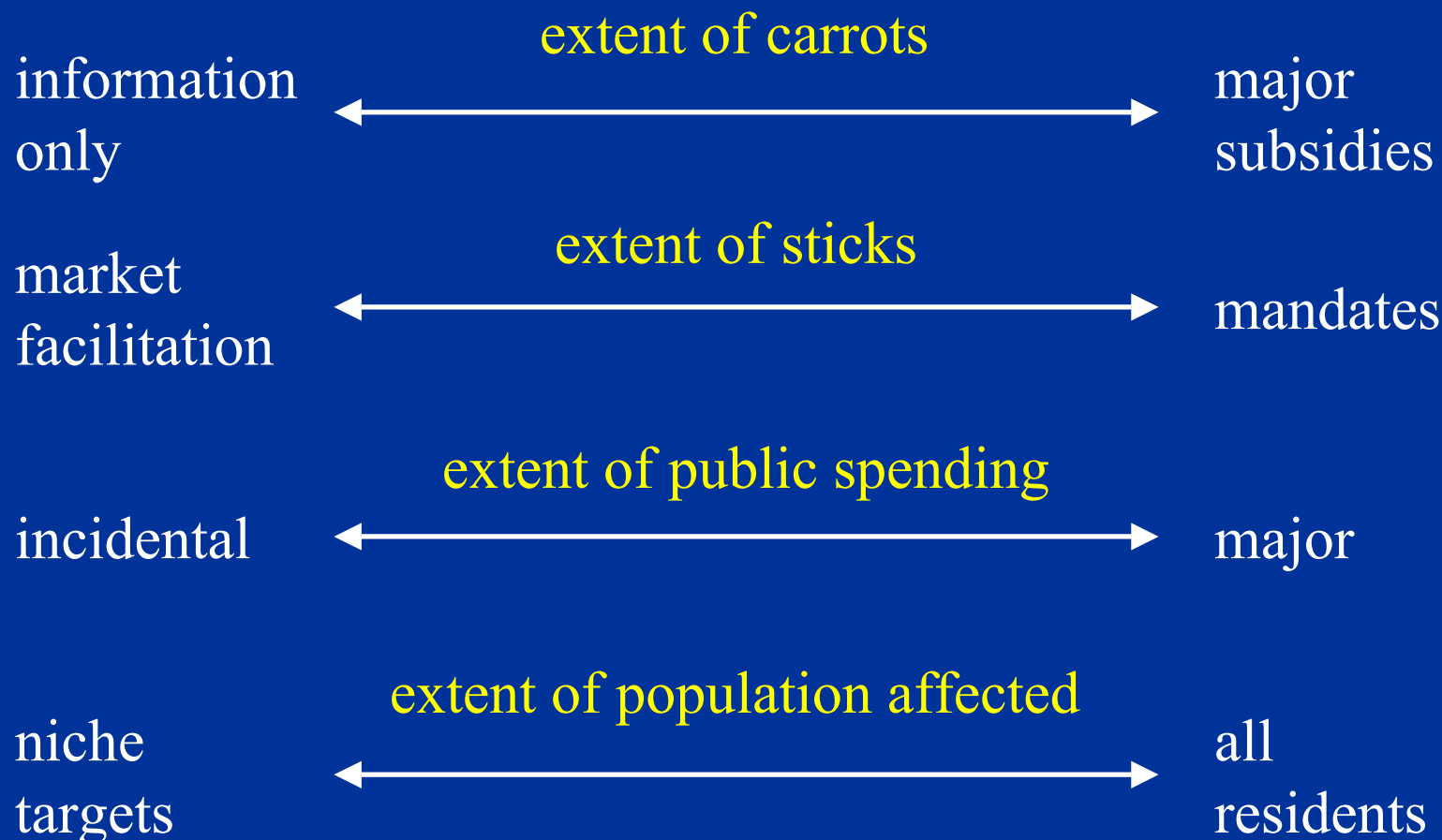
- to offer insurance (*increases availability*)
- to afford insurance (*improves affordability*)
- to keep stable over time (*builds continuity*)

## MANDATORY EXPANSIONS - sticks

### Require everyone

- to buy private coverage or
- to participate in all-payer public system

# Factors Affecting Scope of Reform



# I. Easier to Offer

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- Mainly targets employers
  - information and encouragement
  - small-group insurance market reform
  - purchasing co-ops
  - Equal Access Act

## II. More Affordable

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- Mainly targets employees
  - Subsidy for
    - premiums up front: tax credit, three-share
    - high costs afterward: public reinsurance
  - Streamlined benefits
    - consumer-directed health care (high deduct.), catastrophic coverage only, “bare bones”
  - Streamlined administration & purchasing
    - co-ops, Equal Access Act

# III. More Stable

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- Approaches less tied to employment
- New, durable public-private arrangement
  - could be based on medical homes or Alliance-style network
  - enrollees & participating providers stay over time
  - funding can shift: Medicaid, employer, three-share
- Buy-in to big, durable public plan
  - Equal Access Act-like (public employees plan)
  - Medicaid

# Where Next?

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- Can't cover everything in 15 or 20 minutes
- Need to focus Panel and SPG on most promising options
- Discuss options to explore going forward